

THE FLORIDA BAR FOUNDATION  
INTEREST ON TRUST ACCOUNTS

LOAN REPAYMENT ASSISTANCE PROGRAM  
PROGRAM DESCRIPTION

**Purpose:** The purpose for the establishment and maintenance of this program is to strengthen and expand legal assistance for the poor by supporting the recruitment and retention of the most qualified advocates by legal assistance programs in Florida through the provision of assistance to staff attorneys with educational debt.

1. **Term of Assistance.** The program will provide a maximum of 5 years of benefits. Continued benefits are subject to the availability and allocation of future funding for this program by the Foundation. Once admitted as a participant an attorney may remain a participant for up to a maximum of five (5) years, subject to continued eligible employment, salary limitations, bar admission, re-application and local program endorsement.
2. **Benefits.** An amount equal to 75% of annual debt payments up to \$6,000 per year. For example, a staff attorney paying \$7,500 or more a year on law school debt will receive the maximum annual benefit of \$6,000.
3. **Nature of Benefits.** Benefits will be in the form of one year loans which will be forgiven annually at the end of each year provided the staff attorney remains employed on a full time basis by an IOTA LAP grantee. Benefits are designed to be non-taxable under federal tax law by making the benefits a one year loan forgivable at the end of the year and since the Foundation, not the participant's employer, will be providing the benefits. Loans shall be for one year with loan proceeds disbursed semi annually. The loan shall be evidenced by a promissory note in a form required by the Foundation executed by the borrower (participant) and shall bear interest at a rate of 1% above the short-term applicable federal rate under Section 1274(d) of the U.S. Internal Revenue Code of 1986, as amended.
4. **Eligibility Standard.** Applicants and participants must meet the eligibility standards:
  - a. Employed on a full-time basis by an IOTA funded legal assistance for the poor grantee;
  - b. Receiving an annual salary of not more than \$40,000 for a newly graduated staff attorney with \$3,000 increments to the salary for each year of legal experience;
  - c. Admission to The Florida Bar by the end of the first year after having been selected as a participant.

5. Process for Selection of Participants. The Foundation will select participants in this program through a process of program nominations and regional review committee recommendations. Programs will nominate applicants, utilizing program and applicant application forms designed by the Foundation. Each legal services region in Florida will form a loan-repayment assistance review committee to review all program nominations within the respective region and recommend (or not recommend) and prioritize such nominations to the Foundation. Programs having statewide responsibilities, specifically Florida Legal Services, Southern Legal Counsel, Florida Justice Institute, Florida Institutional Legal Services and the migrant farmworker component of Florida Rural Legal Services shall be considered a region for the purposes of generating and reviewing applications for this program. In any one year, programs shall be limited to no more than two nominations. The continuation of participants in this program after their initial selection shall not be considered a nomination for purposes of applying this limitation. The Foundation shall make final selection decisions.
6. Selection Guidelines. In making, reviewing and selecting nominations and selections, programs, regional review committees and the Foundation shall be guided by the following: (a) demonstration by the applicant of a record of high quality effective representation of the poor; (b) demonstration by the applicant of a strong work ethic; (c) applicant's continuing commitment to address the legal needs of the poor; (d) demonstration by the applicant of a self motivated effort to develop professional skills and capabilities for the benefit of the poor; (e) program confirmation of the applicant's demonstration of factors (a), (b) (c) and (d) above; (f) relative need among applicants; (g) the need for diversity among staff attorneys in legal services in Florida; (h) the need, over a period of time, to provide highly qualified applicants from all programs to participate; and (i) program and applicant commitment to and engagement in the state plan and its core values.
7. Timing of Selection, Payments and Forgiveness. Selection of participants will be in December of each year. Payments will be semi-annual (January and July). Mid-year loan disbursements are subject to and conditional upon participant's continuing eligible employment and certification as to the application of previous loan disbursement for law school loan payments. Forgiveness will occur in January.
8. Debt Eligibility. The program would cover only law school need-based government or private loans, such as GSL, ALAS-SLS-FISL, Law Access Loans (LAL), Law Loans and National Direct Student Loans (NDSL or Perkins Loans), or university or other private institutional loans. An annual debt payment load of at least \$1,800 will be an eligibility requirement.
9. Resourcing the Program. The Foundation will reduce a program's IOTA grant for 20% of the cost of the benefits (i.e. \$1,200 for a participant receiving \$6,000) per each participant employed by that program.